

of the number of officers considered in each grade”.

(d) INCREASE IN AMOUNT OF INCENTIVE BONUS

AMENDMENT NO. 4513

(Purpose: To provide for the determination of the retired pay base or retain pay base of a general or flag officer based on actual rates of basic pay rather than on amounts payable under the ceiling on the basic pay of such officers)

At the end of subtitle D of title VI, add the following:

SEC. 648. DETERMINATION OF RETIRED PAY BASE OF GENERAL AND FLAG OFFICERS BASED ON RATES OF BASIC PAY PROVIDED BY LAW.

(a) DETERMINATION OF RETIRED PAY BASE.—

(1) IN GENERAL.—Chapter 71 of title 10, United States Code, is amended by inserting after section 1407 the following new section:

“§1407a. Retired pay base: members who were general or flag officers

“Notwithstanding any other provision of law, if the determination of the retired pay base or retainer pay base under section 1406 or 1407 of this title with respect to a person who was a commissioned officer in pay grades O-7 through O-10 involves a rate or rates of basic pay that were subject to a reduction under section 203(a)(2) of title 37, such determination shall be made utilizing such rate or rates of basic pay in effect as provided by law rather than such rate or rates as so reduced under section 203(a)(2) of title 37.”.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 71 of such title is amended by inserting after the item relating to section 1407 the following new item:

“1407a. Retired pay base: members who were general or flag officers.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect to the computation of retired pay for members of the Armed Forces who retire on or after that date.

AMENDMENT NO. 4514

(Purpose: To provide in the calculation of retired pay for members of the Armed Forces that service in excess of 30 years shall not be subject to the maximum limit on the percentage of the retired pay multiplier)

At the end of subtitle D of title VI, add the following:

SEC. 648. INAPPLICABILITY OF RETIRED PAY MULTIPLIER MAXIMUM PERCENTAGE TO SERVICE OF MEMBERS OF THE ARMED FORCES IN EXCESS OF 30 YEARS.

(a) IN GENERAL.—Paragraph (3) of section 1409(b) of title 10, United States Code, is amended to read as follows:

“(3) 30 YEARS OF SERVICE.—

“(A) RETIREMENT BEFORE JANUARY 1, 2007.—In the case of a member who retires before January 1, 2007, with more than 30 years of creditable service, the percentage to be used under subsection (a) is 75 percent.

“(B) RETIREMENT AFTER DECEMBER 31, 2006.—In the case of a member who retires after December 31, 2006, with more than 30 years of creditable service, the percentage to be used under subsection (a) is the sum of—

“(i) 75 percent; and

“(ii) the product (stated as a percentage) of—

“(I) 2½; and

“(II) the member’s years of creditable service (as defined in subsection (c)) in excess of 30 years of creditable service in any service, regardless of when served, under conditions authorized for purposes of this subparagraph during a period designated by the Secretary of Defense for purposes of this subparagraph.”.

(b) RETIRED PAY FOR NON-REGULAR SERVICE.—Section 12739(c) of such title is amended—

(1) by striking “The total amount” and inserting “(1) Except as provided in paragraph (2), the total amount”; and

(2) by adding at the end the following new paragraph:

“(2) In the case of a person who retires after December 31, 2006, with more than 30 years of service credited to that person under section 12733 of this title, the total amount of the monthly retired pay computed under subsections (a) and (b) may not exceed the sum of—

“(A) 75 percent of the retired pay base upon which the computation is based; and

“(B) the product of—

“(i) the retired pay base upon which the computation is based; and

“(ii) 2½ percent of the years of service credited to that person under section 12733 of this title for service, regardless of when served, under conditions authorized for purposes of this paragraph during a period designated by the Secretary of Defense for purposes of this paragraph.”.

AMENDMENT NO. 4515

(Purpose: To modify the commencement date of eligibility for an optional annuity for dependents under the Survivor Benefit Plan)

At the end of subtitle D of title VI, add the following:

SEC. 648. MODIFICATION OF ELIGIBILITY FOR COMMENCEMENT OF AUTHORITY FOR OPTIONAL ANNUITIES FOR DEPENDENTS UNDER THE SURVIVOR BENEFIT PLAN.

(a) IN GENERAL.—Section 1448(d)(2)(B) of title 10, United States Code, is amended by striking “who dies after November 23, 2003” and inserting “who dies after October 7, 2001”.

(b) APPLICABILITY.—Any annuity payable to a dependent child under subchapter II of chapter 73 of title 10, United States Code, by reason of the amendment made by subsection (a) shall be payable only for months beginning on or after the date of the enactment of this Act.

AMENDMENT NO. 4342

(Purpose: To modify the time limitation for use of entitlement to educational assistance for reserve component members supporting contingency operations and other operations)

At the end of subtitle D of title V, add the following:

SEC. 569. MODIFICATION OF TIME LIMIT FOR USE OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE FOR RESERVE COMPONENT MEMBERS SUPPORTING CONTINGENCY OPERATIONS AND OTHER OPERATIONS.

(a) MODIFICATION.—Section 16164(a) of title 10, United States Code, is amended by striking “this chapter while serving—” and all that follows and inserting “this chapter—

“(1) while the member is serving—

“(A) in the Selected Reserve of the Ready Reserve, in the case of a member called or ordered to active service while serving in the Selected Reserve; or

“(B) in the Ready Reserve, in the case of a member ordered to active duty while serving in the Ready Reserve (other than the Selected Reserve); and

“(2) in the case of a person who separates from the Selected Reserve of the Ready Reserve after completion of a period of active service described in section 16163 of this title and completion of a service contract under other than dishonorable conditions, during the 10-year period beginning on the date on which the person separates from the Selected Reserve.”.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 16165(a) of such title is amended to read as follows:

“(2) when the member separates from the Ready Reserve as provided in section 16164(a)(1) of this title, or upon completion of the period provided for in section 16164(a)(2) of this title, as applicable.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 28, 2004, as if included in the enactment of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375), to which such amendments relate.

AMENDMENT NO. 4365

(Purpose: To reduce the eligibility age for receipt of non-regular military service retired pay for members of the Ready Reserve in active federal status or on active duty for significant periods and to expand eligibility of members of the Selected Reserve for coverage under the TRICARE program)

At the end of subtitle D of title VI, add the following:

SEC. 648. COMMENCEMENT OF RECEIPT OF NON-REGULAR SERVICE RETIRED PAY BY MEMBERS OF THE READY RESERVE ON ACTIVE FEDERAL STATUS OR ACTIVE DUTY FOR SIGNIFICANT PERIODS.

(a) REDUCED ELIGIBILITY AGE.—Section 12731 of title 10, United States Code, is amended—

(1) in subsection (a), by striking paragraph (1) and inserting the following:

“(1) has attained the eligibility age applicable under subsection (f) to that person;”;

and

(2) by adding at the end the following new subsection:

“(f)(1) Subject to paragraph (2), the eligibility age for purposes of subsection (a)(1) is 60 years of age.

“(2)(A) In the case of a person who as a member of the Ready Reserve serves on active duty or performs active service described in subparagraph (B) after September 11, 2001, the eligibility age for purposes of subsection (a)(1) shall be reduced below 60 years of age by three months for each aggregate of 90 days on which such person so performs in any fiscal year after such date, subject to subparagraph (C). A day of duty may be included in only one aggregate of 90 days for purposes of this subparagraph.

“(B)(i) Service on active duty described in this subparagraph is service on active duty pursuant to a call or order to active duty under a provision of law referred to in section 101(a)(13)(B) of this title or under section 12301(d) of this title. Such service does not include service on active duty pursuant to a call or order to active duty under section 12310 of this title.

“(ii) Active service described in this subparagraph is service under a call to active service authorized by the President or the Secretary of Defense under section 502(f) of title 32 for purposes of responding to a national emergency declared by the President or supported by Federal funds.

“(C) The eligibility age for purposes of subsection (a)(1) may not be reduced below 50 years of age for any person under subparagraph (A).”.

(b) CONTINUATION OF AGE 60 AS MINIMUM AGE FOR ELIGIBILITY OF NON-REGULAR SERVICE RETIREES FOR HEALTH CARE.—Section 1074(b) of such title is amended—

(1) by inserting “(1)” after “(b)”;

(2) by adding at the end the following new paragraph:

“(2) Paragraph (1) does not apply to a member or former member entitled to retired pay for non-regular service under chapter 1223 of this title who is under 60 years of age.”.